

RAO Newsletter #2013-14 - October 1, 2013 - Health Care Arrives.

September 27, 2013 - Courtesy of The Military Officers Association of American.

1. On October 1, major provisions from the 2010 Affordable Care Act will go into effect.

Many MOAA members using TRICARE, TRICARE for Life (TFL) and Medicare, or VA health care are concerned by the launch of the new health insurance initiatives and want to know how they're impacted.

It's important to understand that TRICARE, Medicare, and VA health care are separate from the new health care marketplace (exchange). If you have TRICARE, TFL and Medicare, or VA health care you should not sign up for a marketplace plan. You should make the same decisions about your healthcare coverage that you make every year.

We answer some of your most frequently asked questions:

Q: I use TRICARE (Standard, Prime, Extra, etc.), TFL and Medicare, or VA health care. Will I need to use the healthcare exchanges?

A: No. The new health exchanges are intended to help people who do not have insurance. You already have qualified health insurance with TRICARE, TFL and Medicare, or VA health care. You should make the same decisions about your healthcare coverage that you make every year.

Q: If I have TRICARE or TFL and Medicare, VA health care do I need to worry about the new requirement to obtain health insurance and associated penalties?

A: No. Congress recognized that military and VA health care programs fulfill a special need, and that it would be inappropriate to wrap all health programs together so military and VA beneficiaries have the same coverage as all other Americans. At the urging of MOAA and other organizations, Congress passed the TRICARE Affirmation Act in 2010 that specifically exempted TRICARE and VA beneficiaries from the individual mandate provisions of the Affordable Care Act.

Q. Can I expect my TRICARE enrollment fee, premiums, deductibles or co-pays to go up because of this legislation?

A. No, there's nothing in the legislation that would change any TRICARE fees. That said the Pentagon has attempted to dramatically increase TRICARE fees for the past few years. We expect that to continue. MOAA will continue to fight disproportionate fee increases.

Q. I understand the Affordable Care Act cut Medicare funding by \$500 billion. Will that cut payments to doctors and threaten TFL?

A. It's true that health care reform reduces Medicare spending by about that much, but most of those changes are relatively less painful ones that probably won't affect TRICARE or TFL beneficiaries much.

They include \$118 billion from eliminating the extra subsidy to the Medicare Advantage HMO program (which was sold to Congress as a cost-saver, but actually costs 14% more per person than Standard Medicare), cutting about \$150 billion from non-rural hospitals (which the hospital associations say they can handle because expanding insurance coverage to most Americans will mean they won't have to eat the cost of serving the uninsured), and cutting back abuses in medical equipment. These are things most of us would probably push to consider if it were our own money paying for them (which it actually is).

Q. Are you saying that the funding cut won't affect Medicare beneficiaries at all?

A. No. But the implications are probably longer-term ones than shorter-term ones.

The real issue under national health reform is that the money from these Medicare savings will be used to fund expansion of health insurance coverage to those who don't have it now instead of being used to pay for needed fixes to Medicare.

It's hard to argue that reducing the number of uninsured would be a bad thing. But using the relatively "easy" Medicare savings initiatives to fund that means that when the baby boomers start swamping Medicare and Social Security in the next few years, Congress will be forced to look at more painful ways to fund that need.

Sequestration didn't touch Medicare and Social Security, but it's only a matter of time until reforms of these entitlements are considered.

Q: What if I have TFL and Medicare and someone tells me I need to get a new plan because of the new healthcare law?

A: This is not true. Dishonest people may try to take advantage of consumers by telling them they need to buy a plan when they don't need one. In fact, it is against the law for someone to sell you a marketplace plan if they know you have TFL and Medicare. Don't let someone sell you a marketplace plan by telling you it's a Medicare Supplemental ("Medigap") plan. Medigap plans are not sold through the marketplaces. Never give your Medicare number or Medicare card to someone you don't know, such as an unsolicited caller or a salesman at your door. If you think something unsavory is going on, you can learn how to report suspected fraud at www.StopMedicareFraud.gov.